



November 23, 2004

By E-Mail and Overnight Mail

Mary L. Cottrell, Secretary
Massachusetts Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Petition of Fitchburg Gas and Electric Light Company
for Approval of its Annual Electric Reconciliation Mechanism
and Inflation Adjustment Filing D.T.E. 03-115

Dear Ms. Cottrell:

Enclosed for filing on behalf of Fitchburg Gas and Electric Light Company d/b/a Unitil ("Unitil") in the above-referenced docket, please find the original and nine (9) copies of revised pages 8, 10, 18 and 19 of Schedule RT-1, and revised pages 1, 2 and 3 of Schedule KMA-3. Schedule RT-1 is attached to the testimony of Unitil witness Robyn A. Tafoya, and Schedule KMA-3 is attached to the testimony of Unitil witness Karen M. Asbury. Please remove pages 8, 10, 18 and 19 of Schedule RT-1 and pages 1, 2 and 3 of Schedule KMA-3 from the copy filed on November 26, 2003 and substitute the attached revised pages.

During Unitil's review of materials for its annual reconciliation filing, filed today under separate cover in docket DTE 04-108, certain errors were discovered in the schedules submitted in last year's reconciliation filing. The errors all relate to data and calculations within the schedules, which do not change the position of the company or the conclusions and recommendations of the witnesses.

The first matter involves four pages of Schedule RT-1 of Unitil witness Robyn A. Tafoya: pages 8, 10, 18 and 19. In the calculation of the Residual Value Credit ("RVC"), the tax basis information was inadvertently deleted from the worksheets, shown on line 3 of page 8 and line 3 of page 10 of RT-1. These calculations do not affect the summary calculations or Ms. Tafoya's recommendations because the levelized RVC agreed to in the DTE 01-103 Settlement Agreement, shown at line 31 of page 8 and line 31 of page 10, are the proper amounts which roll forward to the summary schedules.

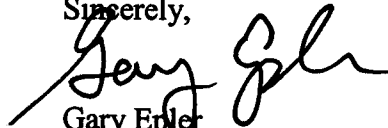
Gary Epler
Senior Regulatory Counsel
6 Liberty Lane West
Hampton, NH 03842-1720
Phone: 603-773-6440
Fax: 603-773-6640
Email: epler@unitil.com

Revised Schedule RT-1 pages 8, 10, 18 and 19 provide the omitted tax basis information.

The second matter involves three pages of Schedule KMA-3 of Unitil witness Karen M. Asbury: pages 1, 2 and 3. In the presentation of the default service costs for February 2003 (Actual) on line 8 of page 3 of KMA-3, the credit of \$13,261 for Sales for Resale was omitted from the calculation of the total default service cost for that month. This omission was carried forward on to page 1 of KMA-3 and is reflected in the calculation of the Ending Balance with Interest on page 2. The omitted amount would have reduced the under-collection, but not eliminated it. As discussed in Ms. Asbury's testimony at page 22, however, Unitil proposed no Default Service Charge Adjustment even though there was an ending balance in the Default Service account. Thus, the omission did not affect Ms. Asbury's conclusions or recommendations. Revised Schedule KMA-3 pages 1, 2 and 3 provide the correct calculations of the default service costs for February 2003 and carry this corrected amount to the calculation of the Ending Balance with Interest.

Please do not hesitate to contact me directly if you have any questions regarding this matter.

Sincerely,



Gary Epler

Senior Regulatory Counsel

cc: Michael Killion, Hearing Officer, MDTE
Kevin Brannelly, Director, Rates and Revenue Requirements, MDTE
Andrew O. Kaplan, General Counsel, MDTE
Joseph Rogers, Assistant Attorney General
Robert Sydney, General Counsel, Division of Energy Resources

Fitchburg Gas and Electric Light Company
Calculation of Residual Value Credit
Divestiture of FGE Owned Generation

\$ in Thousands

Line	11-months	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
RESIDUAL VALUE CREDIT CALCULATION:											
1	Gross Sale Proceeds (Net of Transaction Costs)	\$1,445									
2											
3	Tax Basis @1/31/00	1,308									
4											
5	Excess Proceeds vs. Tax	137									
6	Combined Federal and State Tax Rate	38.29%									
7	Deferred Taxes On Difference	52									
8											
9	Beginning Plant Balance	1,445	1,312	1,166	1,021	875	729	583	437	292	146
10	Required Amortization	132	146	146	146	146	146	146	146	146	146
11	Ending Plant Balance	1,312	1,166	1,021	875	729	583	437	292	146	-
12											
13	Beginning Accum. Deferred Tax Balance	(52)	(48)	(42)	(37)	(32)	(26)	(21)	(16)	(11)	(5)
14	Deferred Tax Provision	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
15	Ending Accum. Deferred Tax Balance	(48)	(42)	(37)	(32)	(26)	(21)	(16)	(11)	(5)	-
16											
17	Beginning Plant Rate Base (Net of Deferred Taxes)	1,392	1,285	1,124	984	843	703	582	422	281	141
18	Ending Plant Rate Base (Net of Deferred Taxes)	1,285	1,124	984	843	703	582	422	281	141	-
19	Average Plant Rate Base	1,329	1,194	1,054	913	773	632	492	351	211	70
20											
21	Return @ BTWACC	152	149	131	114	96	79	61	44	28	9
22											
23	Divestiture Date @ 1/31/00										
24											
25	Return of Investment	132	146	146	146	146	146	146	146	146	146
26	Return on Investment	152	149	131	114	96	79	61	44	28	9
27											
28	Total Investment	1,634	284	295	277	260	242	225	207	190	172
29											
30	Levelized RVC	1,634	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240
31	DTE 01-103 Settlement Agreement Levelized RVC	1,634	\$176	\$176	\$176	\$278	\$279	\$279	\$279	\$279	\$279

NPV
@ATWACC
7.65%

Fitchburg Gas and Electric Light Company
Calculation of Residual Value Credit
Sale of FG&E Millstone Unit #3

\$ In Thousands

Line	8-months	2001	2002	2003	2004	2005	2006	2007	2008	2009
RESIDUAL VALUE CREDIT CALCULATION:										
1	Sale Proceeds (Net of Transaction Costs)									
2										
3	Tax Basis @3/31/01									
4										
5	Excess Proceeds vs. Tax									
6	Combined Federal and State Tax Rate									
7	Deferred Taxes On Difference									
8										
9	Beginning Plant Balance	281	258	225	183	161	129	97	64	32
10	Required Amortization	23	32	32	32	32	32	32	32	32
11	Ending Plant Balance	258	225	183	161	129	97	64	32	-
12										
13	Beginning Accum. Deferred Tax Balance	311	285	250	214	178	143	107	71	36
14	Deferred Tax Provision	26	36	36	36	36	36	36	36	36
15	Ending Accum. Deferred Tax Balance	285	250	214	178	143	107	71	36	-
16										
17	Beginning Plant Rate Base (Net of Deferred Taxes)	592	643	475	407	339	271	204	136	68
18	Ending Plant Rate Base (Net of Deferred Taxes)	643	476	407	339	271	204	136	68	-
19	Average Plant Rate Base	568	509	441	373	305	238	170	102	34
20										
21	Return @ BTWACC									
22										
23	Divestiture Date @ 1/31/00									
24										
25	Return of Investment	23	32	32	32	32	32	32	32	32
26	Return on Investment	53	63	55	46	38	30	21	13	4
27										
28	Total Investment	445	76	96	87	79	70	62	53	45
29										
30	Levelized RVC	445	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70
31	DTE 01-103 Settlement Agreement Levelized RVC	446	\$69	\$69	\$71	\$71	\$71	\$71	\$71	\$71

NPV
@12.45%
7.68%

Fitchburg Gas and Electric Light Company
Deferred Taxes on Fixed Component of Transition Charge

\$ In Thousands

Year End	Book Basis			Tax Basis				Excess Book Over Tax	38.29% Deferred Taxes
	Balance Net Book Value of Generation (1)	Balance Generation Related Regulatory Assets (2)	Total Net Book Basis (3)	Balance Net Book Value of Generation (4)	Balance Generation Related Regulatory Assets (5)	Total Tax Basis (6)			
3/01/1998	10,924	724	11,648	4,299	0	4,299	7,349	2,814	
1998	10,308	673	10,981	3,670	0	3,670	7,311	2,799	
1999	9,371	612	9,983	2,860	0	2,860	7,122	2,727	
2000	8,434	551	8,984	2,053	0	2,053	6,931	2,654	
2001	7,497	489	7,986	1,244	0	1,244	6,742	2,582	
2002	6,560	428	6,988	769	0	769	6,219	2,381	
2003	5,623	367	5,990	617	0	617	5,372	2,057	
2004	4,685	306	4,991	468	0	468	4,523	1,732	
2005	3,748	245	3,993	322	0	322	3,671	1,406	
2006	2,811	184	2,995	181	0	181	2,814	1,077	
2007	1,874	122	1,997	86	0	86	1,911	732	
2008	937	61	998	50	0	50	949	363	
2009	(0)	0	(0)	1	0	1	(1)	(0)	

Column Notes:

- (1) Page 12, Column (7) for 3/1/98 Balance. For 1998-2009, Page 5, Row 12
- (2) Page 13, Column (2) for 3/1/98 Balance. For 1998-2009, Page 6, Row 12
- (3) Column (1) + Column (2)
- (4) and (5) Per tax records of the Company.
- (6) Column (4) + Column (5).
- (7) Column (3) - Column (6).
- (8) Column (7) x combined federal and state tax rate of 38.29%.

Fitchburg Gas and Electric Light Company
Summary of Transition Charges
Return on Fixed Component

\$ In Thousands

Base Return					
Year End	Balance of Fixed Component (1)	Deferred Taxes (2)	Net Balance (3)	Average Net Balance (4)	Annual Return on Unamortized Balance Using Base ROE (5)
1997	\$11,648	\$2,814	\$8,834	\$8,508	\$983
1998	10,981	2,799	8,182	7,719	961
1999	9,983	2,727	7,256	6,793	846
2000	8,984	2,654	6,331	5,868	731
2001	7,986	2,582	5,405	5,006	623
2002	6,988	2,381	4,607	4,270	532
2003	5,990	2,057	3,933	3,596	448
2004	4,991	1,732	3,260	2,924	364
2005	3,993	1,406	2,587	2,252	280
2006	2,995	1,077	1,917	1,591	198
2007	1,997	732	1,265	950	118
2008	998	363	635	318	40
2009	(0)	(0)	0		

Column Notes:

- (1) Page 18, Column (3).
- (2) See Page 18, Column (8).
- (3) Column (1) - Column (2).
- (4) (Column (3) Prior Year + Column (3))/2.
- (5) Column (4) x Total Rate of Return Inclusive of Taxes of 12.45%

Return Component		Dec 31, 1998
Capital Structure:		
LTD - Taxable		47.03%
Preferred		3.38%
Common Equity		49.59%
		100.00%
Cost Rates:		
LTD - Taxable		7.60%
Preferred		6.85%
Common Equity		10.58%
Total Weighted Cost Rate		9.05%
Reimbursement for Taxes on Equity Component		3.40%
Total Rate of Return Inclusive of Taxes		12.45%
Total Weighted Cost rate Less Tax Shield on Debt		7.66%

Fitchburg Gas and Electric Light Company
Calculation of Default Service Deferral and Interest - Monthly Default Service Reconciliation
January 2002 - December 2002

1	Total Costs (See page 3)	Jan-02 Actual	Feb-02 Actual	Mar-02 Actual	Apr-02 Actual	May-02 Actual	Jun-02 Actual	Jul-02 Actual	Aug-02 Actual	Sep-02 Actual	Oct-02 Actual	Nov-02 Actual	Dec-02 Actual	Total
2		\$456,839	\$374,317	\$319,645	\$335,247	\$384,416	\$508,240	\$646,408	\$706,285	\$570,339	\$543,198	\$487,210	\$591,472	\$5,921,615
3	Default Service Revenues	\$367,417	\$351,593	\$367,191	\$409,588	\$439,089	\$479,066	\$601,670	\$619,124	\$590,824	\$514,886	\$531,988	\$513,586	\$5,806,021
3a	Default Service Adjustment Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3b	Total Revenues	\$367,417	\$351,593	\$367,191	\$409,588	\$439,089	\$479,066	\$601,670	\$619,124	\$590,824	\$514,886	\$531,988	\$513,586	\$5,806,021
4	(Over)/Under Recovery - Month	\$87,422	\$22,725	(\$67,545)	(\$74,341)	(\$54,673)	\$29,174	\$44,738	\$87,161	(\$20,485)	\$28,312	(\$44,778)	\$77,886	\$115,594
5	CUMULATIVE (OVER)/UNDER RECOVERY													
6	Beginning Balance	\$413,179	\$502,541	\$527,237	\$461,787	\$389,104	\$335,890	\$366,432	\$412,738	\$501,740	\$483,174	\$513,492	\$470,631	
7	Ending Balance Before Interest	\$500,601	\$525,286	\$469,692	\$387,446	\$334,421	\$365,084	\$411,170	\$499,898	\$501,740	\$483,174	\$513,492	\$470,631	
8	Average Monthly Balance	\$456,890	\$463,903	\$432,464	\$387,616	\$361,767	\$330,477	\$388,801	\$456,519	\$481,487	\$497,330	\$497,103	\$509,574	
9	Interest Rate (1)	5.00%	5.00%	5.00%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	2.93%	
10	Number of Days / Month	31	28	31	30	31	30	31	31	30	31	30	31	365
11	Computed Interest	\$1,940	\$1,971	\$2,096	\$1,668	\$1,459	\$1,368	\$1,569	\$1,841	\$1,919	\$2,006	\$1,917	\$1,269	\$21,013
12	Ending Balance with Interest	\$502,541	\$527,237	\$461,787	\$389,104	\$335,890	\$366,432	\$412,738	\$501,740	\$483,174	\$513,492	\$470,631	\$470,631	

(1) December 2002 Interest Rate includes credit for Deferred Income Taxes, prime rate * (1-t) where t = combined state and federal income tax rate in compliance with DTE Order In 02-24/25 issued December 2, 2002.

Fitchburg Gas and Electric Light Company
Calculation of Default Service Deferral and Interest - Monthly Default Service Reconciliation
January 2003 - December 2003

1	Total Costs (See page 3)	Jan-03 Actual	Feb-03 Actual	Mar-03 Actual	Apr-03 Actual	May-03 Actual	Jun-03 Actual	Jul-03 Actual	Aug-03 Actual	Sep-03 Actual	Oct-03 Estimated	Nov-03 Estimated	Dec-03 Estimated	Total
2		\$335,992	\$620,414	\$546,080	\$813,077	\$583,026	\$694,648	\$1,200,507	\$1,374,948	\$458,243	\$466,347	\$472,971	\$597,646	\$8,583,910
3	Default Service Revenues	\$586,540	\$666,365	\$649,934	\$716,265	\$724,713	\$771,262	\$947,700	\$649,097	\$530,077	\$484,318	\$465,836	\$584,218	\$7,776,315
3a	Default Service Adjustment Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3b	Total Revenues (See page 5)	\$586,540	\$666,365	\$649,934	\$716,265	\$724,713	\$771,262	\$947,700	\$649,097	\$530,077	\$484,318	\$465,836	\$584,218	\$7,776,315
4	(Over)/Under Recovery - Month	\$349,451	(\$45,951)	(\$103,844)	(\$103,188)	(\$141,687)	(\$76,604)	\$252,807	\$725,851	(\$71,834)	\$2,029	\$71,355	\$13,430	\$907,595
5	CUMULATIVE (OVER)/UNDER RECOVERY													
6	Beginning Balance	\$549,786	\$900,849	\$856,862	\$754,609	\$652,935	\$512,543	\$436,980	\$691,021	\$1,419,217	\$1,350,361	\$1,365,220	\$1,365,108	
7	Ending Balance Before Interest	\$899,237	\$854,898	\$752,818	\$651,421	\$511,248	\$435,939	\$689,767	\$1,416,872	\$1,347,383	\$1,352,380	\$1,362,365	\$1,378,638	
8	Average Monthly Balance	\$724,512	\$877,874	\$804,740	\$703,016	\$562,091	\$474,241	\$653,364	\$1,063,946	\$1,383,300	\$1,361,376	\$1,368,787	\$1,371,823	
9	Interest Rate (1)	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.47%	2.47%	2.47%	
10	Number of Days / Month	31	28	31	30	31	30	31	31	30	31	30	31	365
11	Computed Interest	\$1,612	\$1,764	\$1,791	\$1,514	\$1,295	\$1,021	\$1,253	\$2,345	\$2,976	\$2,830	\$2,754	\$2,873	\$24,030
12	Ending Balance with Interest	\$900,849	\$856,862	\$754,609	\$652,935	\$512,543	\$436,980	\$691,021	\$1,419,217	\$1,350,361	\$1,365,220	\$1,365,108	\$1,381,411	

(1) Includes credit for Deferred Income Taxes, prime rate * (1-t) where t = combined state and federal income tax rate in compliance with DTE Order In 02-24/25 issued December 2, 2002.

Fitchburg Gas and Electric Light Company
Calculation of Default Service Deferral and Interest - Monthly Default Service Reconciliation
January 2004 - December 2004

	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Total
1 Total Costs (See page 4)	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	
2	\$778,056	\$610,037	\$607,391	\$571,280	\$506,289	\$563,463	\$653,393	\$695,667	\$664,391	\$567,166	\$634,624	\$620,623	\$7,362,246
3a Default Service Revenues	\$760,027	\$592,689	\$590,063	\$564,100	\$489,356	\$546,315	\$636,876	\$677,877	\$636,870	\$549,993	\$617,894	\$603,241	\$7,154,010
3b Default Service Adjustment Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3c Total Revenues (See page 5)	\$760,027	\$592,689	\$590,063	\$564,100	\$489,356	\$546,315	\$636,876	\$677,877	\$636,870	\$549,993	\$617,894	\$603,241	\$7,154,010
4													
5 (Over)/Under Recovery - Month	\$18,028	\$17,339	\$17,328	\$17,180	\$16,913	\$17,148	\$17,517	\$17,690	\$17,821	\$17,163	\$17,030	\$17,392	\$208,238
6													
7 CUMULATIVE (OVER)/UNDER RECOVERY													
8 Beginning Balance	\$1,391,411	\$1,402,343	\$1,422,439	\$1,442,755	\$1,462,868	\$1,482,854	\$1,503,016	\$1,523,690	\$1,544,590	\$1,565,240	\$1,585,690	\$1,605,941	
9 Ending Balance Before Interest	\$1,399,439	\$1,419,682	\$1,439,786	\$1,459,935	\$1,479,761	\$1,500,002	\$1,520,532	\$1,541,379	\$1,562,101	\$1,582,403	\$1,602,719	\$1,623,323	
10 Average Monthly Balance	\$1,390,425	\$1,411,012	\$1,431,102	\$1,451,345	\$1,471,324	\$1,491,428	\$1,511,774	\$1,532,534	\$1,553,340	\$1,573,621	\$1,594,204	\$1,614,632	
11 Interest Rate (%)	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	
12 Number of Days / Month	31	29	31	30	31	30	31	31	30	31	30	31	366
13 Computed Interest	\$2,904	\$2,767	\$2,889	\$2,933	\$3,073	\$3,014	\$3,167	\$3,200	\$3,139	\$3,287	\$3,222	\$3,372	\$37,046
14													
15 Ending Balance with Interest	\$1,402,343	\$1,422,438	\$1,442,755	\$1,462,868	\$1,482,854	\$1,503,016	\$1,523,690	\$1,544,590	\$1,565,240	\$1,585,690	\$1,605,941	\$1,626,696	

(1) Includes credit for Deferred Income Taxes, prime rate * (1-1) where 1 = combined state and federal income tax rate in compliance with DTE Order in 02-24/25 issued December 2, 2002.

Fitchburg Gas and Electric Light Company

Itemized Costs for Default Service Reconciliation - Monthly Default Service Reconciliation

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total
1 DS-Variable kWh Sales	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
2 Market Proxy Rate													
3 Calculated DS-Variable Costs - Transfer from Standard Offer													
4													
5 Cost of Long Term Purchased Power													
6 Cost of Generation Unit Purchases													
7 Short Term Purchases and NEPEX													
8 Sales for Resale (1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$41,342	\$41,342
9 DS Supplier Costs	\$454,839	\$374,317	\$318,645	\$335,247	\$364,418	\$508,240	\$646,408	\$708,285	\$570,339	\$543,198	\$487,210	\$542,112	\$5,872,255
10 Working Capital (2)												\$2,802	\$2,802
11 Bad Debt Costs (3)												\$5,216	\$5,216
12 Total Costs	\$454,839	\$374,317	\$318,645	\$335,247	\$364,418	\$508,240	\$646,408	\$708,285	\$570,339	\$543,198	\$487,210	\$591,472	\$5,872,615

Note: Estimated DS Supplier Costs from October 2002 through December 2003 assumed to be equal to forecast revenue on page 6.

(1) Changes related to purchase of capacity to service Default load in 2000. Billed in 2002 as a result of ISO-NE's settlement of the ICAP market.

(2) See Page 5.

(3) December 2002-December 2003 bad debt expense determined using last year bad debt costs, per December 2, 2002 Department Order in DTE 02-24/25, totaling \$405,501 multiplied by last year allocation factor. Total SOS and DS allocation equals 34.72% with SOS equal to 19.285% and DS equal to 15.435%.

Bad Debt Expense from DTE 02-24/25 \$405,501 Tab D, Schedule MHC-7-8 (Electric)

Bad Debt Allocation Factor 15.435%

Bad Debt Costs Allocated to DS \$62,589

Monthly Bad Debt Cost Allocated to DS \$5,216

Sales for Resale - Detail	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$41,342	\$41,342
ICAP BILLING (NEPEX)													

Fitchburg Gas and Electric Light Company

Itemized Costs for Default Service Reconciliation - Monthly Default Service Reconciliation

	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Total
1 DS-Variable kWh Sales	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate	Estimate	
2 Market Proxy Rate													
3 Calculated DS-Variable Costs - Transfer from Standard Offer													
4													
5 Cost of Long Term Purchased Power													
6 Cost of Generation Unit Purchases													
7 Short Term Purchases and NEPEX													
8 Sales for Resale (1)													
9 DS Supplier Costs	\$826,324	\$626,515	\$538,289	\$604,854	\$575,047	\$698,135	\$1,189,574	\$1,363,181	\$450,981	\$484,318	\$495,836	\$584,218	\$8,484,250
10 Working Capital (2)	\$4,452	\$2,843	\$2,557	\$2,907	\$2,764	\$3,288	\$5,717	\$8,551	\$2,167	\$3,187	\$1,918	\$2,430	\$34,547
11 Bad Debt Costs (3)	\$5,216	\$5,218	\$5,214	\$5,218	\$5,218	\$5,218	\$5,218	\$5,218	\$5,216	\$5,216	\$5,216	\$5,216	\$62,590
12 Renewable Energy Certificates (4)												\$5,764	\$5,764
13 Total Costs	\$835,992	\$634,414	\$546,060	\$613,077	\$583,026	\$694,648	\$1,200,507	\$1,374,948	\$458,243	\$488,347	\$472,871	\$597,648	\$8,583,810

Note: Estimated DS Supplier Costs from October 2002 through December 2003 assumed to be equal to forecast revenue on page 6.

(1) Additional changes related to purchase of capacity to service Default load in 2000. Billed in 2002 as a result of ISO-NE's settlement of the ICAP market.

(2) See Page 5.

(3) December 2002-December 2003 bad debt expense determined using last year bad debt costs, per December 2, 2002 Department Order in DTE 02-24/25, totaling \$405,501 multiplied by last year allocation factor. Total SOS and DS allocation equals 34.72% with SOS equal to 19.285% and DS equal to 15.435%.

(4) Prior to December 1, 2003 the Default Service Supplier was responsible for purchasing Renewable Energy Certificates.

Bad Debt Expense from DTE 02-24/25 \$405,501 Tab D, Schedule MHC-7-8 (Electric)

Bad Debt Allocation Factor 15.435%

Bad Debt Costs Allocated to DS \$62,589

Monthly Bad Debt Cost Allocated to DS \$5,216